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SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XXXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
USCINCENT MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO FOR ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

E.O. 12958: N/A

TAGS: [IS KMDR MEDIA REACTION REPORT](#)

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

1. Mideast
2. Iran, nuclear program

Key stories in the media:

All media report that former Labor Party Chairman Shimon Peres has finalized his decision to leave the Labor Party, Prime Minister Ariel Sharon's associates said late Monday night. In addition, Labor MK Dalia Itzik announced at 11 p.m. on Monday that she was leaving Labor for Sharon's Kadima party. At the same time, top radio and TV personality Shely Yehimovich announced she is joining Labor.

Major media reported that Justice Minister and P.M. Sharon's ally Tzipi Livni outlined the proposed platform of the new Kadima Party Monday afternoon, emphasizing the nature of Israel as a democratic Jewish state, the need to continue along the roadmap, and stating that "we have to give up part of the Land of Israel to establish a Jewish and democratic state." The platform also addresses the social economic affairs and changing the system of government. Yediot Aharonot also reports that P.M Sharon will soon reveal the final platform.

Ha'aretz, The Jerusalem Post and Yediot Aharonot reported on the issuance of a Code of Conduct on Countering Terrorism, on Monday, in the Euro-Med conference, in Barcelona, Spain, by Israel, the EU, and Muslim Mediterranean countries, among them Syria and Lebanon. The Code condemns terror "in all its manifestations," and states "terrorism can never be justified." Ha'aretz also report that due to dissent between Israel and the Arab countries on reference to the Roadmap, especially with regard to the linkage to the Saudi Middle East peace plan of 2002 and its interpretation of the refugees right of return, the publication of a final joint declaration was prevented. The Jerusalem Post reported that EU's Ambassador to Israel Ramiro Cibrián-Uzal told reporters during a meeting with the press on Monday that Hamas "will remain in the EU list of terrorist organizations" until it "recognizes the state of Israel" and "commits to solving the conflict through peaceful means." He noted that Israeli construction in the West Bank and around Jerusalem "is illegal," adding that he hoped that the Road Map would be relaunched following both the Palestinian and the Israeli elections, explaining that he believes the two sides were in phase one of the process.

Ha'aretz and the Jerusalem Post reported that the PA's ruling Fatah party on Monday called off primary elections in the Gaza Strip following a series of attacks on polling stations and armed clashes between rival gangs. Fatah leaders who held an emergency meeting in Gaza City on Monday evening decided to call off the elections because of what they described as

"serious transgressions." Referring to scenes of anarchy and violence that accompanied the voting process, the Fatah leaders said it had become impossible to hold the elections under the current circumstances. The decision is seen as a severe blow to Fatah and is likely to have a negative impact on its chances of making a strong showing in the parliamentary elections, slated for January 25. Moreover, the decision is likely to play into the hands of Hamas, which is planning to contest the vote for the first time since the establishment of the Palestinian Authority.

Major media reported that in the 3rd quarter of 2005, the unemployment rate fell to 8.9%, which is the first time unemployment in Israel's workforce dropped below 9% since mid-2001. Israeli media also reported that Bank of Israel Governor Stanley Fischer raised the shekel interest rate in December by 0.5%, placing it at 4.5%, citing a need to keep inflation within the government's stability target for 2005.

In a related development, Maariv reported that the US Administration decided not to slice its annual security and economic aid to Israel despite the ongoing settlement construction. The full sum of \$2.52 billion will be transferred to Israel by the end of December. The Americans are still undecided on Israel's request for \$2 billion of special aid in the wake of the disengagement.

1. Mideast

Summary:

Independent, left-leaning Ha'aretz editorialized: "The reopening of the Rafah border crossing between the Gaza Strip and Egypt is an achievement for the Palestinians, but no less so for Israel.. The agreement and the understanding over the Rafah crossing have a natural continuation, which is also dictated by circumstances - a link between Gaza and the West Bank, which should be opened in the coming weeks, and, in the future, the opening of an international airport in Gaza and the completion of the seaport there."

Block Quotes:

"A step in the right direction"

Independent, left-leaning Ha'aretz editorialized: "The reopening of the Rafah border crossing between the Gaza Strip and Egypt is an achievement for the Palestinians, but no less so for Israel.. On the Israeli side, the defense establishment initially voiced several objections and concerns, but eventually even Defense Minister Shaul Mofaz welcomed the agreement that paved the way to the reopening of the border as a confidence-building measure between Israel and the PA and as an important Egyptian contribution to security arrangements. The reopening of the crossing sets several important precedents. For the first time in decades, since 1967, to be precise, there is an international border between the territories and a neighboring country that is not under direct Israeli supervision. In other words, Israel waived exclusive control of the border area that it enjoyed for years. The Palestinians claim that they also made concessions, since the Rafah crossing is only open to those whose names appear in the population register of the territories, which is supervised by Israel. In addition, Israel has installed electronic surveillance equipment at the crossing, allowing it to see at any given time who is using the crossing. Another important precedent is the involvement of a third party - border police from the European Union - whose job it is to ensure that the agreement is fully implemented.. The agreement and the understanding over the Rafah crossing have a natural continuation, which is also dictated by circumstances - a link between Gaza and the West Bank, which should be opened in the coming weeks, and, in the future, the opening of an international airport in Gaza and the completion of the seaport there. The entire agreement is valid for one year and, if properly implemented, the PA will assume further responsibilities for operating border crossings, as one step on the road to assuming all the roles of a sovereign nation, and in accordance with its agreements with Israel."

2. Iranian nuclear efforts

Summary

The conservative, independent Jerusalem Post
Editorialized: "The question is whether Israel can
continue to sit silently on the sidelines, pretending
that the international community is successfully
blocking the Iranian bomb.. The US, it seems, has
decided it will not break ranks with Europe, and even
Russia, at all costs, even if the policy is moving in
the wrong direction.. Israel has the right and
obligation to openly spell out the global implications
of a nuclear Iran."

Block Quotes:

"Speak up on Iran"

The conservative, independent Jerusalem Post
editorialized: "With its rejection Sunday of a Russian
proposal, the increasing belligerency of the Iranian
regime may have once again staved off the West's best
efforts to avoid confronting the world's principal
international threat. The question is whether Israel
can continue to sit silently on the sidelines,
pretending that the international community is
successfully blocking the Iranian bomb.. The US, it
seems, has decided it will not break ranks with Europe,
and even Russia, at all costs, even if the policy is
moving in the wrong direction. What, for example, will
the US do if Iran comes to its senses and says yes?
The world will proclaim the Iranian problem as solved,
and Iran will have bought more time and legitimacy for
its obvious quest for the bomb.. Europe, let alone
Russia, cannot be relied upon to stop Iran from
becoming a nuclear power. Every day that goes by in
which the US continues to follow Europe's, and now even
Russia's, lead, the presumption grows that even the
Bush administration has given up on stopping an Iranian
bomb, and is just going through the motions. Our
reluctance to, even implicitly, criticize the US, and
risk turning the matter into an "Israeli" issue, is
understandable and was probably even warranted up to
this point. But the failure of the IAEA to refer the
matter to the Security Council, combined with the
international acceptance of Russia's blatant watering
down of even the E-3's demands, shows that
psychological acceptance of an Iranian bomb is growing.
In this context, the time has come for Israel to sound
the alarm.. Israel has the right and obligation to
openly spell out the global implications of a nuclear
Iran, and to frontally combat the creeping sense of
helplessness in preventing this nightmare from coming
about."

CRETZ